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S E C R E T SECTION 01 OF 02 BAGHDAD 004449

SIPDIS

NOFORN

E.O. 12958: DECL: 10/31/2015

TAGS: [ENRG](#) [EPET](#) [EFIN](#) [ECON](#) [MASS](#) [MOPS](#) [PGOV](#) [PREL](#) [IZ](#) [TU](#)

SUBJECT: IRAQI ENERGY COUNCIL IN DISARRAY

REF: BAGHDAD 4356 AND PREVIOUS

Classified By: Classified by Economic Minister Counselor Tom Delare for reasons 1.4 (b) and (d)

11. (C) SUMMARY: The National Energy Council (NEC) assessed the energy infrastructure siege of Baghdad October 27. Attacks against infrastructure in the North have cut off the oil flow to Baghdad and Turkey, reducing fuel supplies in parts of Iraq to critically low levels. Deputy Prime Minister Chalabi and several members of the council spoke against what he called ineffective MNF-I security of the pipelines. After a sharp exchange with Chalabi over insufficient intelligence and corruption, the Minister of Industry and Minerals, Usama Al Najafi, resigned from the NEC in protest. END SUMMARY.

12. (SBU) Deputy Prime Minister (DPM) Ahmed Chalabi chaired the National Energy Council meeting October 27. Minister of Oil (MOO) Bahr Al-Ulum, Minister of Water Resources (MOWR) Abdul Latif Rasheed, Minister of Electricity (MOE) Muhsin Shallash, Minister of Industry and Minerals (MIM) Usama al Najafi, Chief of Staff of the Iraqi Armed Forces LTG Abadi, Infrastructure Coordination Cell (ICC) Chief, BG Kamal, Ministry of Interior consultant Dr. Abraham, Ministry of Oil Intelligence Chief, Colonel Jaburi, MNF-I STRATOPS, and ECONOFF attended.

KEY INFRASTRUCTURE ATTACK REVIEWED

13. (C) DPM Chalabi started the meeting by stating, "We are in bad shape. Oil from Kirkuk is still cut off, and no pipelines are able to provide fuel to Baghdad from Bayji." Chalabi said that although SIBs had reported that mortars had cut the pipelines from Kirkuk, it was actually done with IEDs planted by the insurgents. "The insurgents were from the 2nd Battalion of the Strategic Infrastructure Brigade along the pipeline," according to Chalabi, who suggested "threatening the battalion commander." Chalabi reported that two of the three electrical lines from Bayji/Kirkuk to Baghdad were operational, and that no trains had been attacked this week. MOWR Latif stated, "There has been no improvement in security in the past five months;" MOO al-Ulum added, "The insurgents are doing very well."

INFRASTRUCTURE PROTECTION STATUS

14. (C) DPM Chalabi, in a very animated style, told the council, "Gen Casey has placed a high priority on infrastructure security compared to four months ago. This committee has influenced MNF to increase the importance of infrastructure security." DPM Chalabi went on to say, "Where is the Iraqi Army? Why are they not doing their job of defending the pipelines? We need to move these battalions that are not doing their jobs-replace them." Chalabi continued in what appeared to be an effort to appease other council members, "General Casey commands the Iraqi Army, he is the only one that can prevent these attacks. MG Parker has presented a plan."

15. (C) DPM Chalabi suggested building a pipeline to Turkey through Kurdish-controlled territory to enable the export of Kirkuk oil. The Kurdish Government could guard that new pipeline. MOO al-Ulum supported this proposal. MIM al-Najafi was opposed, suggesting instead "We need to solve our current problems, not build a new pipeline." (NOTE: This is not the first time an alternate pipeline through Kurdish territory has been discussed in the NEC. END NOTE)

INTELLIGENCE SUPPORT DISPUTE; MIM RESIGNS FROM NEC

16. (SBU) MIM al-Najafi demanded to know why Chalabi had not set up an intelligence unit to add security to the infrastructure protection effort as promised. Al-Najafi accused Chalabi of lying and threatened to resign. Chalabi refuted al-Najafi's accusation, saying that he had set up the JCCI (Joint Coordination, Communication and Intelligence) Center, which was an organized effort to find out who are

doing these attacks on the infrastructure. MIM al-Najafi responded, "I am resigning (from the NEC). This is my last meeting. There is corruption and no one is taking this seriously." Chalabi responded that al-Najafi could go ahead and resign from the council.

REPORT OF THE PROBLEM AT WEST QURNAH OIL FIELD

17. (S/NF) Chalabi said that 35,000 barrels per day of oil were being lost from the West Qurnah oil field. He said the GOI does not know what is occurring, adding that Iraqi intelligence is attempting to determine who is controlling the oilfields. &There are many suspects,8 Chalabi said, adding that &there appears to be corruption, and the tribes are stealing the oil." MOO al- Ulum responded, "We need to pay them more, bribe them." (NOTE: MNF-I is investigating the request from the DPM to intercede with military force in West Qurna. It is unclear at this point what is occurring at West Qurna Oil Fields. The FPS Commander of West Qurnah Oil Field is COL Abdul an employee of the Southern Oil Company. END NOTE) MNF-I representative informed the council that they were attempting to ascertain the facts on what is going on at West Qurna, as requested. MNF-I representative also informed the council that they were very interested in who was responsible for hijacking a million dollars of oil per day in revenue from West Qurna and that they would look very closely at who was responsible, their relationships with others, and where the money was going. At this statement, DPM Chalabi glanced toward the Minister of Oil and said, &There are political groups taking advantage of the situation in West Qurna. Terrorists are working inside the government organizations.8

CONCERN FOR MUSAYYIB POWER PLANT

18. (C) Chalabi informed the Council that he expected the Musayyib power plant to be attacked. &The pipeline to supply it with fuel has been repaired, so when the 500 MW of generation comes on-line, I think it will be attacked." Chalabi asked LTG Abadi to plan for the defense of Musayyib.

COMMENT

19. (C) COMMENT: The ministers, disappointment over the ability of the Council to influence the commitment of military forces and intelligence assets to provide protection to the critical infrastructure was evident. The normal politeness of the meeting was frayed, with hostilities culminating in al-Najafi,s resignation from the NEC. END COMMENT

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